

## State of Colorado – American Recovery and Reinvestment Act Non-Competitive Sourcing Justification



A major premise for ARRA Funded Procurements is that it is expected competition will always be sought when awarding contracts and grants. If the Group II Procurement Authority in the State Agency /Institution has determined that an award utilizing partial or total ARRA funds is to be made on a non-competitive basis, prior to award, approval must be received. The Colorado ARRA Staff will collect the proper information and rationale and post on the State of Colorado Recovery Act Website. This is in addition to the regular sole source determination process. Group I Agencies must submit to the State Purchasing Office any prospective procurement situations that they believe may be non-competitive for review and further guidance.

### TYPE or CLEARLY PRINT ALL INFORMATION

(Attach Additional Pages as Needed)

You MUST complete this form before beginning any procurement where the basis for vendor selection is:

- ✓ Only one product or service can reasonably meet your need, AND
- ✓ Only one vendor can reasonably provide that product or service.
- ✓ Meets State Procurement Rule criteria R24-103-205(01) and an Intent to Sole Source Posting has been made on BIDS
- ✓ ARRA Funding is the source of funding for all or part of the expenditure

Department: CO Dept. of Public Health & Environment Division: Prevention Services Division  
Address: 4300 Cherry Creek Drive South, Denver, CO 80246  
Contact: RX, PO or Contract  
Name: Chandra Hardwick/Lisa Ellis #: 10 FLA 14907  
Phone: 303-692-2505/303-692-2153 FAX: 303-691-7900

Department Requesting Official

Name: Colorado Department of Public Health and Environment

Department Requesting Official

Signature: \_\_\_\_\_

A. Describe in detail the products and /or services to be procured and how they meet your needs.

*The services being provided include a telephone-based tobacco use cessation service, referred herein as the "Quitline" to assist Coloradans with quitting smoking and using other tobacco products. The Quitline provides tobacco information to callers, assists tobacco users who wish to quit through the development of a personalized quit plan, may provide FDA approved pharmacotherapy to eligible callers, i.e. nicotine patches, and provides consultation to healthcare providers in the area of tobacco use treatment. The services also include maintaining a website pertaining to tobacco cessation.*

Vendor

Name: National Jewish Health FEIN #: 742044647

Vendor

Address: 1400 Jackson Street, Denver, CO 80206 Phone: 303-388-1355

B. Have you procured products and/or services from this vendor in the past 2 years? Is this a modification or change order of existing contract? If Yes explain

☐ No ☒ Yes

*The term of the current contract for Quitline (08 FLA 00125) is July 1, 2007 through June 30, 2010. A new contract for the ARRA funds will be executed which will include the provisions for the enhancements for the Quitline related to the grant.*

Start Date: 5/1/10 (for ARRA contract) End Date: 2/3/12

Estimated Total Dollars for this Procurement:

\$ 447,169.00

Provide estimated cost breakdown of supplies and/or services covered by this procurement:

Supplies \$

Service

\$ 447,169.00

C. Attach a detailed explanation that this requirement for goods or services can not be solicited competitively – what is the basis for your identifying this as non-competitive? Please Note: If Approved, this explanation will be available to the public on the Colorado Recovery Act website, so do not include any proprietary information or information that would compromise national security.

*The current Quitline contract was procured through an Intent to Sole Source. The ARRA funds in the grant application are to specifically fund the activities associated with the current Quitline project. These funds were awarded to increase the QuitLine capacity to serve additional low-income, Medicaid and prenatal populations on an annual basis. A primary focus of the ARRA grant is the implementation of an enhanced tobacco cessation prenatal and postpartum protocol to improve retention and cessation rates among this high-risk population..*

D. Do you have an actual or potential conflict of interest in this purchase request?

✓ If yes, please explain on an attached sheet.

☒

No

☐

Yes

E. What negotiation took place with the prospective awardee?

Disclose pricing and any terms and conditions that are more beneficial to the State. Since competition has not taken place, how is pricing deemed fair & reasonable per §24-103-403? Please see the attached guide on cost and pricing analysis.

Negotiation took place at the onset of the original contract and was deemed to be fair and reasonable at that time. National Jewish has agreed to offer the same pricing that is included in the current Quitline contract.

F. If applicable, explain any timing constraints established under the ARRA which need to be considered in relation to this specific expenditure.

There are no constraints for this funding. However, the funding period is from Feb. 4, 2010 through Feb. 3, 2012.


Approved

  
Colorado State Purchasing Director or Delegated Representative

5.5.10

Date

Approved

  
Colorado ARRA Director or Authorized Representative

5/5/10

Date

State of Colorado – Department of Public Health & Environment  
Sole Source Justification

Required for purchase of goods over \$10,000 and services over \$25,000  
(not required for interagency or governmental agencies)  
Section 24-103-205, C.R.S., as amended

TYPE or CLEARLY PRINT ALL INFORMATION  
(Continue on reverse side, when needed)

You MUST complete this form before beginning any procurement where the basis for vendor selection is:  
✓ There is only one product or service that can reasonably meet your need, AND  
✓ There is only one vendor who can reasonably provide that product or service.  
(You MUST meet BOTH criteria to have a sole source procurement. Procurement Rule R-24-103-205-01)

RX, PO or Contract #: 10 FLA 14907-ARRA funded

Vendor Name: National Jewish Health

FEIN: 742044647

Vendor Address: 1400 Jackson Street

Phone: 303-398-1528

Denver, Colorado 80206

**Describe in detail the products and /or services to be procured and how they meet your needs:**

- Provide information to callers, tobacco users, and non-tobacco users on tobacco dependence and its treatment, the dangers of secondhand smoke and other tobacco-related information.
- Develop a personalized quit plan, provide comprehensive, proactive, phone-based behavioral counseling, linking him/her with available health plan coverage for tobacco dependence treatment
- Provide FDA approved pharmacotherapy to eligible callers in the form of nicotine patches or gum.
- Develop & implement postpartum protocol for counseling of callers
- Maintain a tobacco cessation website and implement new text messaging capabilities for program participants

Have you previously procured products and/or services from this vendor related to this request?  
\_\_\_\_ No \_\_\_\_ X \_\_\_\_ Yes

If **YES**, List dates, agreement numbers and dollar amounts:

PO FLA PPG0800125-7/1/07 through 6/30/10-\$14,590,283.00

Start Date : 5/1/10

End Date: 2/3/12 (If multi-year, indicate full term)

Estimated total dollars for this procurement: \$447,169.00 (If multi-year, estimate full term)

Provide estimated cost breakdown of supplies and/or services covered by this procurement:

Supplies \$ \_\_\_\_\_

Services \$ 447,169.00

Provide a detailed explanation of Vendor's Sole Source Status – what is the basis for your identifying this as a sole source?

National Jewish has been the sole source vendor for this type of service since 2007 based on that no responses were received to an Intent to Sole Source posted in the past on the BIDs system, their status as a non-profit, the need to have the organization located in Colorado, and their capacity to combine the quit services with the tobacco cessation website.

In 2009, HB09-1204 was passed into law (C.R.S. 10-16-104 (18), (B) (IX), requiring health insurance providers to cover Tobacco Cessation interventions. Prior to that time, tobacco cessation services for all Colorado Residents were paid through this contract which was funded by the Amendment 35 Tobacco Excise Tax. In 2009 and into 2010 the declaration of a fiscal emergency and reappropriation of the A35 funding outside the department prompted CDPHE to partner with National Jewish to implement the HB09-1204 legislation. National Jewish is now the sole provider of Cessation Services for most of the Health Plans in the State. Standard tobacco cessation services, including Nicotine Replacement Therapy and counseling services are offered to all Coloradans through one toll-free phone number. All participants are screened for insurance and billed according to their Health Plan. In the past, the State of Colorado was the only payor for these services. As before, National Jewish/The Colorado Quitline is the sole provider of cessation services to all Colorado residents and now their reimbursement comes from multiple Health Plan Providers (Aetna, Anthem, Cigna, United Healthcare, and others).

The ARRA funds in the grant application are to specifically fund the activities associated with the current Quitline project. These funds were awarded to increase the QuitLine capacity to serve additional low-income, Medicaid and prenatal populations on an annual basis. A primary focus of the ARRA grant is the implementation of an enhanced tobacco cessation prenatal and postpartum protocol to improve retention and cessation rates among this high-risk population.

- ✓ Do you have an actual or potential conflict of interest in this purchase request? ☒ X No ☐ Yes  
✓ If yes, please explain on an attached sheet.

Reference the price/cost analysis guidance when responding to the questions below.

1. Did you compare prices/rates to **established catalog prices or market prices**? ☐ YES ☒ X NO
2. Did you compare prices/rates to **historical prices or rates** for similar items or services procured in the past? ☒ X YES ☐ NO
3. If no to 1 or 2 above, have you done a **cost/price analysis**? ☐ YES ☒ NO
4. If no to 1, 2 or 3 above, do you know if the cost is "**fair and reasonable**" as required by Fiscal Rules? Explain below. ☒ X YES ☐ NO

**Explanation of fair and reasonable prices/rates:**

The pricing for this contract is based on the prices in the current Quitline contract which were negotiated at the onset of the original contract. Furthermore, this pricing model has been used by National Jewish in establishing pricing for all the Health Plans and Self-insured entities (such as the State of Colorado) utilizing The Colorado Quitline for tobacco cessation services.

Division: Prevention Services Division

Program: STEPP

Program Contact Name: Deb Osborne-Chandra Hardwick

Phone: 303-692-2509, 303-692-2505

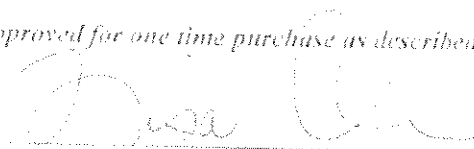
Division Approving Official Name:

Division Approving Official Signature:

Procurement Use Only:

Comments: \*\*\* Approved for one time purchase as described on this request \*\*\*

Approved:

  
Agency Procurement Director or Authorized Representative

  
Date

Posted on BIDS?

☐ Yes

☒ No

Intent to Sole Source BIDS #

\_\_\_\_\_